

Appendix J: Financial Ability Instructions

This analysis is performed to determine your financial ability to operate (*the resort, campground, lodge etc...*) and meet anticipated future development plans (36 CFR Ch.II, Sect 251.54 (E)(2)). In order to conduct this analysis please submit the following information:

FOR INDIVIDUALS:

1. Social Security Number - Used to obtain credit bureau reports on persons or firms under examination. Providing Social Security Numbers is voluntary, however, failure to do so may result in an incomplete financial analysis.
2. Business references (3)
3. Personal financial statement - Notarized and prepared on Financial Statement Form FS-6500-24.
4. Federal income tax returns - For the last three years,(a complete set).
5. Request for Verification - Form FS-6500-25, to be forwarded to all financial institutions or other firms where you have accounts for cash, lines of credit, securities on deposit, and long-term liabilities. Please complete Items 1-5. (*The date of verification should be the same date as the current balance sheet.*) Forward directly to your financial institution for them to complete Items 6-15 and return directly to the Forest Service address listed at the top of the form.
6. Pro Forma Statements. - Prepared by a Certified Public Accountant (CPA) projected for three years and/or through the life of the development schedule. Please include assumptions that outline potential financing needs etc...
7. Sales Agreement (if applicable) – Submit a copy of your sales agreement. Outline the terms of the sale along with any down payment or future payments (as part of your financial forecast).
8. Business Plan - Include the following information in your plan:
 - (a) A description of the public services to be provided, the scope and duration of operations, and anticipated opening date.
 - (b) A description of the construction/renovation projects that you plan to undertake, estimation of costs and identification of sources of capital. (note: this should be reflected in your financial forecast)
 - (c) Provide a synopsis of the owners/manager's experience in operating a resort or relatable experience.
 - (d) Disclose the business organization, including officers and stockholders and percentage of ownership including other key positions of management that will be responsible for the operations.
 - (e) Please include a brief history of your business entity and their main activities (including activities located off national forest land).

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FOR CORPORATIONS:

1. Business Identification Number and Certificate of Incorporation, and Affiliates - Include a list of all your affiliates by name and address. Describe how they are accounted for and the nature of the relationship.
2. Business references (3)
3. Financial Statements - Audited or reviewed for the last three complete fiscal years which includes:
 - ☐ A report by an independent Certified Public Accountant (CPA) on the financial statements;
 - ☐ A balance sheet; income statement; and statement of cash flows;
 - ☐ Footnotes to the financial statements;
 - ☐ A report on internal control structure by the independent CPA completing the audited or reviewed statements (if prepared.)
4. Request for Verification - Form FS-6500-25, to be forwarded to all financial institutions or other firms where you have accounts for cash, lines of credit, securities on deposit, and long-term liabilities. Please complete Items 1-5. (*The date of verification should be the same date as the current balance sheet.*) Forward directly to your financial institution for them to complete Items 6-15 and return directly to the Forest Service address listed at the top of the form.
5. Pro Forma Statements - Prepared by a Certified Public Accountant (CPA) projected for three years and/or through the life of the development schedule. Please include assumptions that outline potential financing needs etc...
6. Sales Agreement (if applicable) – Submit a copy of your sales agreement. Outline the terms of the sale along with any down payment or future payments (as part of your financial forecast).
7. Business Plan - Include the following information in your plan:
 - (a) A description of the public services to be provided, the scope and duration of operations, and anticipated opening date.
 - (b) A description of the construction/renovation projects that you plan to undertake, estimation of costs and identification of sources of capital. (note: this should be reflected in your financial forecast)
 - (c) Provide a synopsis of the owners/manager's experience in operating a resort or relatable experience.
 - (d) Disclose the business organization, including officers and stockholders and percentage of ownership including other key positions of management that will be responsible for the operations.
 - (e) Please include a brief history of your business entity and their main activities (including activities located off national forest land).

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FOR NEWLY FORMED PARTNERSHIPS

(with less than 3 full years of operations)

1. Business Identification Number and Partnership Agreement and Affiliates - List of all your affiliates by name and address. Describe how they are accounted for and the nature of the relationship.
2. Business references (3)
3. Financial Statements (if available) - Audited or reviewed for the last three complete fiscal years which includes:
 - ☐ A report by an independent Certified Public Accountant (CPA) on the financial statements;
 - ☐ A balance sheet; income statement; and statement of cash flows;
 - ☐ Footnotes to the financial statements;
 - ☐ A report on internal control structure by the independent CPA completing the audited or reviewed statements (if prepared.)
4. Request for Verification - Form FS-6500-25, to be forwarded to all financial institutions or other firms where you have accounts for cash, lines of credit, securities on deposit, and long-term liabilities. Please complete Items 1-5. (*The date of verification should be the same date as the current balance sheet.*) Forward directly to your financial institution for them to complete Items 6-15 and return directly to the Forest Service address listed at the top of the form.
5. Pro Forma Statements.- Prepared by a Certified Public Accountant (CPA) projected for three years and/or through the life of the development schedule. Please include assumptions that outline potential financing needs etc...
6. Sales Agreement (if applicable) – Submit a copy of your sales agreement. Outline the terms of the sale along with any down payment or future payments (as part of your financial forecast).
7. Business Plan - Include the following information in your plan:
 - (a) A description of the public services to be provided, the scope and duration of operations, and anticipated opening date.
 - (b) A description of the construction/renovation projects that you plan to undertake, estimation of costs and identification of sources of capital. (note: this should be reflected in your financial forecast)
 - (c) Provide a synopsis of the owners/manager's experience in operating a resort or relatable experience. Please include a brief history of your business entity and their main activities (including activities off National Forest land).
 - (d) Disclose the business organization, including officers and stockholders and percentage of ownership including other key positions of management that will be responsible for the operations.

In addition to the above, each partner must submit the following information:

1. Social Security Number
2. Business references (3)
3. Affiliates - List of all your affiliates by name and address. Describe how they are accounted for and the nature of the relationship. In determining whether or not affiliation exists, the Forest Service shall consider all appropriate factors including, but not limited to, common ownership, common management, and contractual relationships.
4. Financial Statements - Audited or reviewed for the last three complete fiscal years which includes:
 - ☐ A report by an independent Certified Public Accountant (CPA) on the financial statements;
 - ☐ A balance sheet; income statement; and statement of cash flows;
 - ☐ Footnotes to the financial statements;
 - ☐ A report on internal control structure by the independent CPA completing the audited or reviewed statements (if prepared.)
 - ☐ A notarized personal financial statement prepared on Financial Statement, Form FS-6500-25 and a complete set of Federal income tax returns for the last three years may be substituted for audited or reviewed financial statements.
5. Request for Verification - Form FS-6500-25, to be forwarded to all financial institutions or other firms where you have accounts for cash, lines of credit, securities on deposit, and long-term liabilities. Please complete Items 1-5. (*The date of verification should be the same date as the current balance sheet.*) Forward directly to your financial institution for them to complete Items 6-15 and return directly to the Forest Service address listed at the top of the form.

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FOR ESTABLISHED PARTNERSHIPS

(with at least three full years of operations)

1. Tax Identification Number **and** Partnership Agreement.
2. Business references (3)
3. Affiliates - List of all your affiliates by name and address. Describe how they are accounted for and the nature of the relationship.
4. Financial Statements (if available) - Audited or reviewed for the last three complete fiscal years which includes:
 - ☐ A report by an independent Certified Public Accountant (CPA) on the financial statements;
 - ☐ A balance sheet; income statement; and statement of cash flows;
 - ☐ Footnotes to the financial statements;
 - ☐ A report on internal control structure by the independent CPA completing the audited or reviewed statements (if prepared.)
5. Request for Verification, Form FS-6500-25, to be forwarded to all financial institutions or other firms where you have accounts for cash, lines of credit, securities on deposit, and long-term liabilities. Please complete Items 1-5. (*The date of verification should be the same date as the current balance sheet.*) Forward directly to your financial institution for them to complete Items 6-15 and return directly to the Forest Service address listed at the top of the form.
6. Pro Forma Statements prepared by a Certified Public Accountant (CPA) projected for three years and/or through the life of the development schedule. Please include assumptions that outline potential financing needs etc...
7. Sales Agreement (if applicable) – submit a copy of your sales agreement. Outline the terms of the sale along with any down payment or future payments (as part of your financial forecast).
8. Business Plan - Include the following information in your plan:
 - (a) A description of the public services to be provided, the scope and duration of operations, and anticipated opening date.
 - (b) A description of the construction/renovation projects that you plan to undertake, estimation of costs and identification of sources of capital. (note: this should be reflected in your financial forecast)
 - (c) Provide a synopsis of the owners/manager's experience in operating a resort or relatable experience.
 - (d) Disclose the business organization, including officers and stockholders and percentage of ownership including other key positions of management that will be responsible for the operations.
 - (e) Please include a brief history of your business entity and their main activities (including activities off National Forest land).